

Environmental Politics and Strategy

Five years later

Richard MacLean

In a 2001 *Manager's Notebook* article of the same title, I wrote about Washington D.C.'s influence on environmental progress. Three future scenarios were described: *Scorched Earth*; *Build-up Breakthrough*; and *Same-Old-Same-Old*. (For a free copy of this June 2001 article, visit www.eponline.com and look under "Archives.") Five years later, let's examine which of these scenarios tracked true and the relevance of environmental strategic planning today.



One of the great things about life is that it affords all of us opportunities to look back and marvel at what has transpired — the good, the bad, and the ugly. The past five years have been nothing less than remarkable when it comes to the environment. Who would have guessed? Certainly not me. Yet, the three scenarios I described in a June 2001 *Environmental Protection* article fall well within the boundaries of what has occurred and, more significantly, what appears to be shaping up on the horizon for the next five years.

First, some background. "Developing scenarios" is a planning technique where stories are written that describe how the future may unfold. Starting

with the present, a team examines a range of possibilities and identifies markers along the way that may signal the eventual direction and outcome. Once the scenarios are developed, the group "wind-tunnels" the strategic plan against each of these future scenarios. Typically, these may include a worst-case, most-optimistic, and most-likely outcome. Finally, the group "lives in the future" and determines if the present plan is robust enough to address each scenario.

Since no one can foretell the future, the team inevitably will be wrong on the specific details; but if they have done the exercise correctly, they will have built into the plan enough resiliency and flexibility to succeed, no

matter what the outcome.¹ With strategic planning, it is not always the precise details that matter, but rather the big picture.

Now, back to the 2001 article.

To recap, *Scorched Earth* was a scenario in which the Bush administration acted in such a Neanderthal manner that it "would galvanize more activist actions than ever imagined. The public response may force Congress to act and woe be it to any companies that stumble and harm people or the environment. The Democrats are just waiting to spring into action. Probably the first concrete signpost in this scenario would be Christie Whitman's resignation after seemingly endless policy reversals and regulatory reversals."

An epilogue as the article went to press stated, "The general public might conclude that the Administration is clearly on the 'Scorched-Earth' scenario path . . . The last several months have shown top Bush officials that they had better get this environmental stuff right. Even good PR will not extract them quickly from the mess that they created."

At the time, I was still optimistic that the administration would turn it around. They, I predicted, would face a major backlash à la the Watt/Gorsuch era where there was a national revolt against Reagan's environmental policies. The environmentalists would be all over them with a vengeance.

What developed was a combination of the third scenario, *Same-Old-Same-Old* (i.e., nothing much changes) together with a good deal of *Scorched Earth* in the form of regulatory rollback and stagnation — but without the anticipated revolt. What changed everything, of course, was 9/11, re-focusing the nation's attention on terrorism. The pushback was muted. The third scenario, *Build-up Breakthrough* of major environmental progress led by Washington, never even remotely developed.

I hit one key marker dead on — namely, Whitman's exit (complete with her book, *It's My Party Too: The Battle for the Heart of the GOP and the Future of America*, chronicling her frustrations). The most revealing action on the part of the Bush Administration was to fill the EPA administrator position — previously filled with high-visibility, national leaders — with a faceless bureaucrat. In business as well as politics, if you want to totally stall action and innovation without calling major attention to it, this is exactly how to do it. Totally brilliant, if that was the Administration's true objective. Readers can decide for themselves. As for me, I look at the results.

At the time, I thought that environmental activist organizations would be effective in pushing an environmental agenda in Washington. This turned out not to be the case, and Michael Shellenberger and Ted Nordhaus, in the seminal 2004 essay, "Death of Environmentalism," described why. Their controversial view (but accurate in my opinion) is that environmentalists are still living

It is not just pushback now, but political payback time.

in the glory days of the past. The world had changed (literally and figuratively), but the environmental activists' generals in the United States were continuing to fight the wars with obsolete strategies. The full impact of these ineffectual strategies is only now becoming apparent.

So where does this all leave us?

Tipping Point

Scenarios are typically developed for time periods of five or more years into the future. Short timeframes are covered by forecasting and trend analysis. Indeed, Peter Schwartz's classic on scenarios is titled, *The Art of the Long View*. We are at that tipping point now and, viewed in this context, the *Scorched-Earth* scenario appears uncannily accurate.

It is not just pushback now, but political payback time. For example, as I write this article today, the front page of the *Wall Street Journal* contains an article on the midterm elections stating: "Democrats are hoping that Iraq, gas prices, immigration and the environment will boost turnout for their side."² Turns out I was on target in my 2001 article, just off in the precise timing.

Although the environmentalists still struggle to respond and rethink their strategies, the media and the entertainment industry are in full attack mode: an unprecedented number of front-page articles — five in major national magazines between January and June 2006, plus a major motion picture, *An Inconvenient Truth*.³ And these are just the high-visibility events. In recent editions of *BusinessWeek*, headlines proclaim: "Green: The Next Big Thing," "Green is good for business," and "Design for Living."⁴ In the heyday of the environmental movement, I do not recall such a deluge.

Behind much of this is, of course, Washingtonian politics. Al Gore is clearly making points with his new movie, such that even a leading contender for the 2008 presidential race, Hillary Clinton, is trying to out-green "Ozone Al" in recent speeches on the

environment and energy conservation.

The Bush Administration has so aligned itself with "big oil" and tepid energy conservation policies that the Republican Party, as a whole, will have a tough time shaking off the image. Even President Bush is starting to back away from some of his views on climate change, an issue that has grown to international importance as the warning signs have transformed into warning billboards.

While Washington dithered on the environment over the past five years, the rest of the world moved on. The global supply chain and marketplace are very much the reality today. Currently, multinationals are more concerned about what is happening in Brussels than what goes on in Washington when it comes to emerging environmental regulations. (See WEEE, RoHS, REACH, and so on.)⁵

The Utility of Scenarios in Business

While these battles unfold, the editors of the *Wall Street Journal* remain on script with statements such as: "Mr. Gore's narrative isn't science, but science fiction."⁶ On Earth Day, the *Wall Street Journal's* lead editorial claimed that we can "breathe easier" because "the world is getting cleaner." But elsewhere on these pages you will find dramatically different stories by their reporters.

Two days prior to the good news on Earth Day, there appeared a front-page article on how mercury used in remote gold mining camps is polluting the globe; not just some backwater village, but *the globe*.⁷ Elsewhere you will find articles such as: "In China, More Facilities Go Green" reporting on international environmental trends and investments.⁸

For me, these conflicting articles are more than just an interesting example of business cognitive dissonance. They epitomize the confusion and lack of understanding of the emerging environmental dynamics within business leadership. Executives read the individual articles — the dots — but they seem unable to connect them into a coherent picture of what is emerging.

The only picture that they can relate to is one that developed in their minds during the 1980s and 1990s when U.S. regulations, Washington lobbyists, and environmental activists ruled. In

that picture, the battle has been won, we can breathe easier now and there is no need for resources (read: “you and your group”) to fight any new battles.

The best tool available to connect

While Washington dithered on the environment over the past five years, the rest of the world moved on.

the dots is scenario planning. What if you had developed a plan five years ago and continued to track events and update your business management? What would be their impression of you, if you had been telling them that one of the three scenarios — *Scorched-Earth* — was tracking true and it was just a question of timing before issues surfaced that could result in business threats or opportunities?

Maybe management would think that you are strategic. Maybe they would insist that you be at the table when strategic decisions are made. Maybe they would use it to their competitive advantage as BP and GE have. Maybe they would be more receptive to your requests for resources. Maybe they would realize that climate change could have much broader implications than just energy conservation. After all, they already know that the last environmental movement was not just about birds and DDT.

So, do you have a future strategy or just a short-term tactical plan to hopefully get you to next year’s budget planning cycle?

References

¹ For more about scenario planning, see P. Schwartz, *The Art of the Long View — Planning for the Future in an Uncertain World* (Doubleday, NY, NY, 1996) and G. Ringland, *Scenario Planning — Managing for the Future* (John Wiley & Sons, NY, NY, 1998).

² J. Calmes, “Midterm Tea Leaves Signal Hot Water for Republicans,” *Wall Street Journal* (June 6, 2006) page 1.

³ *Fortune* — January 2006, *Time* — April 2006, *Wired and Vanity Fair* — May 2006, *U.S. News* — June 2006.

⁴ M. Bartiromo, “Green: The Next Big

Thing,” *BusinessWeek* (May 29, 2006) page 108 and J. McGregor, “Design for Living,” *BusinessWeek* (June 12, 2006) page 18, T. Thomson, “Green is Good for Business,” *BusinessWeek* (May 29, 2006) page 124.

⁵ Waste electrical and electronic equipment (WEEE); Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS); Registration, Evaluation and Authorization of Chemicals (REACH).

⁶ H. Jenkins, “Warmed Over,” *Wall Street Journal* (May 31, 2006) page A13.

⁷ J. Fialka, “How Mercury Rules Designed for Safety End Up Polluting,” *Wall Street Journal* (April 20, 2006) page 1.

⁸ A. Batson, “In China, More Facilities Go Green,” *Wall Street Journal* (May 2, 2006) page A8.

Richard MacLean is a principal at MacLean, Marsh and Associates, a virtual consulting network supporting business man-



agement, and the executive director of the Center for Environmental Innovation (CEI), a university-based nonprofit research organization. He can be reached via e-mail at maclea@competitive-e.com. For Adobe Acrobat® electronic files of this and his other writings, visit his Web site at http://www.Competitive-E.com.